

CA2 ALXC 2
75524

C. 2

LIBRARY VAULT 19

CA2 ALXC 2 1975S24
Select Legislative Committee Reviewing
Intra-Provincial Truck Regulations.



3 3398 00306 4689

Legislative Assembly

SELECT LEGISLATIVE COMMITTEE

REVIEWING

INTRA PROVINCIAL TRUCK REGULATIONS

[*Terms of reference*]

CHAIRMAN: Mr. H. Planche MLA Calgary Glenmore

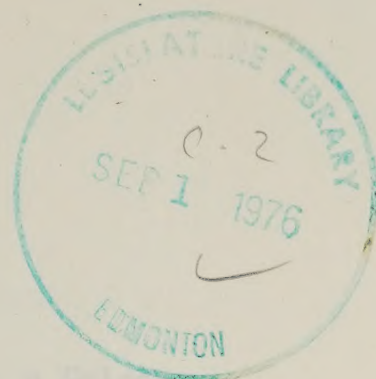
MEMBERS: Dr. W. A. Buck MLA Clover Bar

J. D. Horsman MLA Medicine Hat-Redcliff

H. Kroeger MLA Sedgewick-Coronation

L. R. Shaben MLA Lesser Slave Lake

C. Stewart MLA Wainwright



Digitized by the Internet Archive
in 2022 with funding from
Legislative Assembly of Alberta - Alberta Legislature Library

INTRODUCTION

During the fall 1975 sitting of the Alberta Legislature, a Select Committee was established to review existing intra-provincial truck regulations in their present form, with a mandate to, if necessary, recommend changes that would better ensure that adequate truck transportation service is provided to Albertans by a viable trucking industry at reasonable rates.

ORGANIZATION

The Select Legislative Committee consists of a Chairman, five members and support staff, consisting of a Technical Advisor and secretary. The Chairman is responsible for organizing and co-ordinating the activities of the Committee and will be responsible for reporting the findings to the Legislative Assembly.

The Technical Advisor is responsible for assisting the Chairman and the Committee with the organization and discharge of their duties.

The office of the Select Legislative Committee is located at 513 Legislative Building, Edmonton; telephone 429-4631.

Digitized by the Internet Archive
in 2022 with funding from
Legislative Assembly of Alberta - Alberta Legislature Library

PUBLIC FORUMS

In an effort to allow interested and concerned parties an opportunity to present their views directly, the Select Committee will be holding Public Forums throughout the province in accordance with the following schedule:

<u>Location</u>	<u>Place</u>	<u>Date</u>	<u>Time</u>
Red Deer	Provincial Building 4913 - 52 Street	Oct. 6, 1976	9:00 am
Edmonton	Board Room Transportation Bldg. 9630 - 106 Street	Oct. 7, 8 & 9 1976	9:00 am
Grande Prairie	Provincial Building 9905 - 100 Street	Sept. 29, 1976	9:00 am
Peace River	Athabasca Hall 9705 - 98 Avenue	Sept. 30, 1976	9:00 am
Calgary	Court House Hearing Room 611 - 4 Street S.W.	Sept. 17 & 18 1976	9:00 am
Lethbridge	El Rancho Hotel 526 Magrath Street	Sept. 15, 1976	9:00 am
Medicine Hat	Provincial Adminis- tration Building Room 116 770 - 6 Street W.	Sept. 14, 1976	9:00 am

MEMBERS OF THE SELECT LEGISLATIVE COMMITTEE

PURPOSE OF PUBLIC FORUM

The Public Forums will be conducted to provide interested and concerned parties with the opportunity to present their views directly to the members of the Select Legislative Committee. The Public Forum format will encourage informal one to one discussion between those making the presentation and the members of the Select Legislative Committee.

- reliability of the trucking industry
- rate regulation
- control of entry
- control of routes
- conditions of carriage

IT IS NOT THE FUNCTION OF THIS COMMITTEE TO CONSIDER SUCH MATTERS AS VEHICLE SIZE, WEIGHT, AGE REQUIREMENTS, OR LOCATION AND DIRECTION OF HIGHWAY, BRIDGE AND HIGHWAY.

It is expected that those parties making a presentation at the Public Forum will have direct or indirect involvement in the trucking industry in Alberta, and therefore a position will be taken as to how intra-provincial regulation of the trucking industry would either assist or hinder the continuing development of a viable trucking industry able to provide an adequate level of service at an acceptable cost.

It is hoped that those intending to make a presentation at the Public Forum will notify the Chairman of the Select Legislative Committee at least one week prior to date of presentation, together with a copy of their written presentation. The Committee will attempt to schedule time for individual presentations.

CONCERNS OF THE SELECT LEGISLATIVE COMMITTEE

It is not the intention of the Select Legislative Committee to advise the public on what to say at the Public Forums. However, by outlining the areas of concern of the Committee, it may assist you in directing your presentation to the appropriate topics.

The primary concern of the Select Legislative Committee is centered around the question of economic regulation of the intra-provincial trucking industry. Economic regulation concerns itself with such matters as:

- level of service provided by the trucking industry
- level of service required
- viability of the trucking industry
- rate regulations
- control of entry
- control of routes
- conditions of carriage

IT IS NOT THE FUNCTION OF THIS COMMITTEE TO CONSIDER SUCH MATTERS AS VEHICLE SIZE, WEIGHT, AND DIMENSIONS, OR LOCATION AND CONDITIONS OF PROVINCIAL ROADS AND HIGHWAYS.

It is expected that those parties making a presentation at the Public Forums will have direct or indirect involvement in the trucking industry in Alberta, and therefore a position will be held as to how intra-provincial regulation of the trucking industry would either assist or hinder the continuing development of a viable trucking industry able to provide an adequate level of service at an acceptable cost.

It is hoped that those intending to make a presentation at the Public Forums will notify the Chairman of the Select Legislative Committee at least one week prior to date of presentation, together with a copy of their written presentation. The Committee will attempt to schedule times for individual presentations.

STUDY OBJECTIVE

To determine whether intra-provincial truck regulations, as they presently exist in Alberta, are sufficient to promote a healthy and efficient truck transportation industry that will maximize the benefits to the people of Alberta in terms of level of service and lowest total cost.

To develop an understanding of the impact of regulations on

- (i) the trucking industry
- (ii) the user
- (iii) the public at large
- (iv) the provincial government

To determine:

- A. whether intra-provincial regulations of truck transportation in any form is desirable;
if so
- B. which form of regulation should be adopted.

A 1. Analysis of the Present Regulatory System
in Alberta

- review of the present day regulatory process in Alberta, in relation to:
 - intra-provincial truck operation
 - extra-provincial truck operation
 - shippers and receivers service requirements
 - cost of adequate service to the provider
 - enforcement
 - rates
 - community requirements
- identify obvious advantages and disadvantages of the system again in relation to the above.

2. INDUSTRY PROFILE

Economic analysis of intra-provincial for-hire and private carrier operating in Alberta.

(i) Comparative Industry Growth:

Comparative analysis between the growth of the Alberta trucking industry and the growth of the industry in other jurisdictions.

(ii) Industry Structure:

Develop an analysis of the present day for-hire and private trucking industry in Alberta in relation to

- the quality of service being offered to and used by the shipping public;
- the effectiveness of trucking industry to meet the needs of industry and the public.

The for-hire segment of the industry should be broken down by class of operation, i.e. long haul, short haul, bulk products, livestock, heavy haul etc.

(iii) Market Characteristics:

Survey of shippers to determine their reason for the selection of the truck transport mode, relative cost, and level of service received.

Those companies involved in private trucking should also be sampled to determine why they developed private trucking and the failure of the for-hire

carriers to meet their needs. There will be a need to identify major users of each class of truck transportation in both the for-hire and private carriage categories.

(iv) Company Analysis:

A representative sampling of private and for-hire carriers will be directly contacted to determine

- (i) size of firm and age
- (ii) financial structure
- (iii) market concentration
- (iv) service differentiation (diversification of the operation)
- (v) market share
- (vi) ownership
- (vii) equipment utilization
- (viii) long range financial analysis

Criteria for arriving at a representative sample of truck operators will include type, route, geographical coverage, size and other relevant criteria.

3. Analysis of the Regulatory Systems in Other Jurisdictions

A review of the level and type of regulatory system of Ontario, Manitoba, Saskatchewan, British Columbia, Quebec and California and the effects (advantages and disadvantages) of each, from the point of shippers, receivers and carriers.

A brief review should be made of the basic I.C.C. system plus those of other Canadian Provinces.

4. The Effectiveness of the Enforcement System in Regulated Jurisdictions

The study should consider the effect of, or lack of, enforcement in regulated jurisdictions. Examine existing Alberta Patrol Division and cost and effectiveness of the enforcement organization. If Alberta were to regulate, review Enforcement Branch requirements and extent of endorsement required.

5. Comparative Analysis of Rates and Tariffs in Various Jurisdictions

This study should assess the influence of various forms of regulation as practiced in Alberta, Saskatchewan, Manitoba, Ontario and Quebec on rates and tariffs. To assess and evaluate differences in rates and tariffs, proper recognition must be given to geographical difference, mix of traffic, distance of hauls, and

the directional balance of traffic.

6. Specialized Service Provided: Alberta vs. Regulated Jurisdictions

The purpose of this item is to determine whether or not Alberta's Trucking Industry, because of a non-regulatory form of control, has provided a more generalized transportation service. This would then be compared to the degree of specialized services offered by the trucking industries of other regulated jurisdictions. A major part of this section should deal with the analysis of private and for-hire trucking volumes to urban and rural areas and the subsequent effect.

7. Trends in Terminals and Fixed Facilities

This should entail a brief history of truck depots, their current problems and the subsequent effect upon intra-provincial goods distribution system. A study should also include an inventory of the type, quality and effectiveness of the trucking industry's terminal and fixed facilities, i.e. refrigeration.

B. If it is established that economic regulations of some degree are required in order for the people of Alberta to be adequately provided with truck transportation service at competitive rates, then the following analysis should be undertaken.

1) Alternative Forms of Regulation to be considered:

- a) Full regulation of the trucking industry, including
 - the regulation of - route and area served
 - level of service
 - entry and exit controls
 - filed and/or fixed rates.
- b) Partial regulation
 - Containing some points outlined in (a) but not all of them.
- c) Fixed and filed rates only.
- d) Etc.

In analysis of the above alternatives, the following variables must be considered:

- a) Definition of adequate levels of service on each route in the province, with an inventory of existing service levels, and identification of points now inadequately served.

- b) Definition of costs of service according to defined adequate service levels, under each of the four primary situations to be studied.
- c) Effects of service and rate levels on carriers, users (shippers and receivers) and the general public under each of the alternatives studied.
- d) Identification of major beneficiaries under each alternative and how they benefit.
- e) Identification of those most disadvantaged under each alternative, and how they are disadvantaged.
- f) Review how industry bankruptcy and voluntary discontinuance of service should be handled under regulation, and how the selection process of a new carrier (industry entry) should be carried out.
- g) Would any of the regulatory alternatives require subsidies (i.e. if a carrier is losing money on a regulated route, should the operation be subsidized and by whom?)
- h) If regulation were introduced, should grandfather rights be protected?
- i) The full costs of each alternative form of regulation must be identified, including administrative costs of each alternative.

- j) Various alternatives as to how the alternatives should be administered, with estimates of costs and staffing required for each. According to the study objective listed earlier, these variables must be analysed for each alternative, and then combined for comparison purposes between the 4 major alternatives.

STUDY METHOD

As outlined in the preceding Terms of Reference, the Study will progress in two stages:

STAGE 1

- (a) Thorough analysis of existing Alberta regulations governing intra-provincial truck transport and whether in fact adequate service in the areas of quantity, quality, and cost is provided by the trucking industry.

To accomplish the analysis, the Committee intends to develop first hand knowledge of the Alberta trucking industry through meetings with various firms, interested persons and associations throughout the province.

Concurrently with the meetings in Alberta, members of the Select Legislative Committee will meet with truckers, shippers, and the regulatory authorities in the neighbouring provinces of British Columbia, Saskatchewan and Manitoba. The purpose of such meetings is to allow the members of the Select Legislative Committee to obtain first hand knowledge as to how regulated jurisdictions function. It is hoped that this series of meetings will be completed by early September, at which time the Select Legislative Committee will commence the Public Forums at various locations throughout the province.

- (b) The Public Forums will be the vehicle by which interested parties can make their presentation direct to the Select Legislative Committee.

STAGE II

If, following the analysis as outlined in STAGE 1 above, the Select Legislative Committee concludes that the present Alberta regulatory system is not adequate to meet the needs of the users

and providers of truck transportation, then the study will proceed with investigation of alternative forms of economic regulation that could be implemented in whole or part to enable the trucking industry of Alberta to remain viable while at the same time provide adequate service to the public.

DATE DUE
DATE DE RETOUR

APR 20 1989

NLR 178



ALBERTA

LEGISLATURE LIBRARY
216 LEGISLATURE BUILDING
EDMONTON, ALBERTA

